

### **BUSINESS SERVICES**

Quarterly Industry Update First Quarter 2016





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### Q1 2016 Highlights

May 2016

For the first quarter of 2016, the SCA Business Services Index increased by 6.4% compared to an increase of 2.3% for the S&P 500. While the Business Services Index overall outperformed the broader market, performance among the sectors varied considerably. Marketing Services had a strong quarter driven by a forecast that U.S. media ad spending will increase by over 15% in 2016. On the other side, Staffing and HR Services underperformed the markets, driven by broad concerns about slowing growth and month-over-month declines in temporary staffing and the temporary staffing penetration rate.

After a substantial number of new private equity investments into the Business Services sector in 2015, the first quarter of 2016 was dominated by strategic consolidation. In particular, acquisition of data-based companies and information services remained especially active while tradition HR and Outsourcing sectors experienced reduced activity.

Notable merger and acquisition transactions during the guarter included:

- IBM Watson's acquisition of Truven Health Analytics, a leading provider of healthcare data and analytics for \$2.6 bilion
- Sykes Enterprises, Incorporated's (Nasdaq:SYKE) acquisition Clear Link Technologies, a leading provider of demand generation and in-bound marketing campaigns, for \$200 million
- RFE Investment Partners' acquisition of Stagnito Business Information and Edgell Communications to create a leading marketing research platform for the retail industry
- Heidrick & Struggles International Inc.'s (Nasdaq:HSII) acquisition of Decision Strategies International, Inc., a provider of strategic planning and executive coaching services
- HIS Global's acquisition Oil Price Information Service, LLC, a leading provider of realtime pricing for spot and future oil prices, for \$650 million

We welcome your comments and hope that you find our SOLIConnect report informative.

**Gregory Hagood Senior Managing Director**ghagood@soliccapital.com

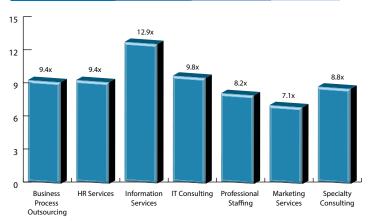
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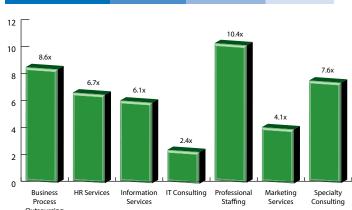


# Market Overview

# Enterprise Value to NTM EBITDA by SCA Sector

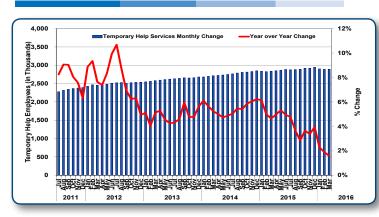


LTM Annual Revenue Growth by SCA Sector

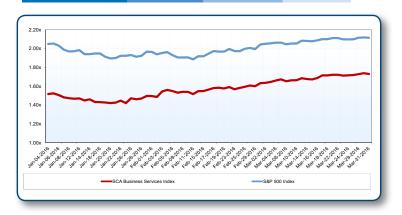


Both revenue multiples and EBITDA multiples remained strong across all subsectors in Q1-16, with steady overall transaction volume.

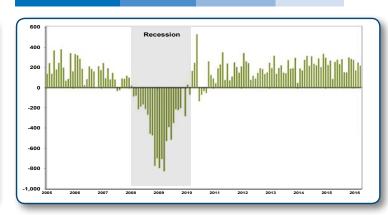
#### Temporary Help Services Trends



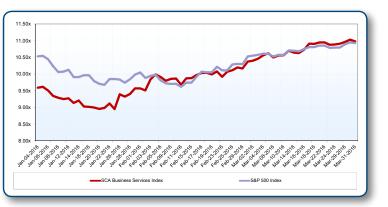
#### SCA Business Services Universe vs. S&P 500 Total Enterprise Value / Revenue



### Net Change in U.S. Employment



SCA Business Services Universe vs. S&P 500 Total Enterprise Value / EBITDA



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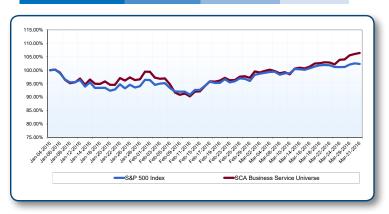
<sup>\*</sup> Please see pages 24-29 for SCA Business Services Universe and additional information in the "Notes" section at the end of this report



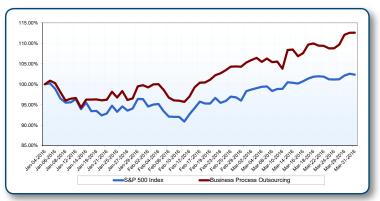
# Sector Stock Performance (one year)



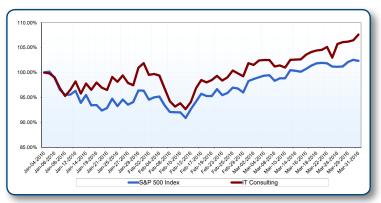
SCA Business Services Universe vs. S&P 500



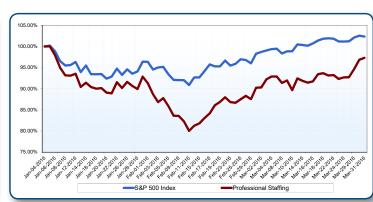
SCA Business Process
Outsourcing Sector vs. S&P 500



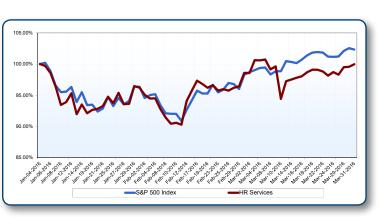
SCA IT Consulting Sector vs. S&P 500



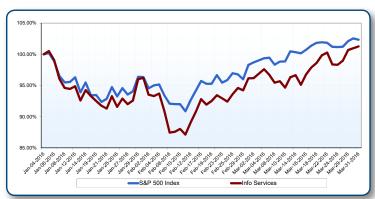
SCA Professional Staffing Sector vs. S&P 500



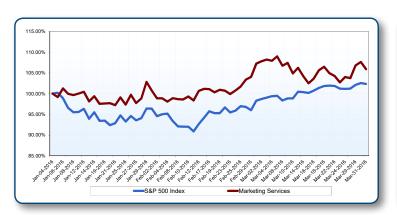
SCA HR Services Sector vs. S&P 500



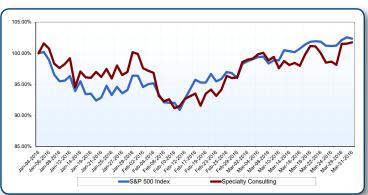
SCA Information Services Sector vs. S&P 500



SCA Marketing Services Sector vs. S&P 500



SCA Specialty Consulting Sector vs. S&P 500



<sup>\*</sup> Please see pages 24-29 for SCA Business Services Universe and additional information in the "Notes" section at the end of this report

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## Motable Industry Developments



The Bureau of Labor Statistics reported that job gains occurred in several industries, led by retail trade, construction and health care. Manufacturing and mining employment declined. The unemployment rate held at 5.0% in March, and the number of unemployed persons (8) million) was little changed.

The percentage of temporary workers to total workers, called the "temporary penetration rate," is commonly used as a metric to track the staffing sector. The temporary penetration rate remained relatively stable at 2.01% in March. The temporary penetration rate is significant, as small increases in this number have a large impact, amplifying growth as the broader labor market improves.

According to the ADP National Employment Report, private sector employment increased by 200,000 jobs from February to March. Goods-producing employment rose by 9,000 jobs in March, up 4,000 from the previous month. The construction industry added 17,000 jobs in March, while manufacturing added 3,000. Service-providing employment rose by 191,000 jobs in March, down from 208,000 in March. The ADP National Employment Report indicates that professional/business services increased by 28,000 jobs in March, while trade/transportation/utilities grew by 42,000 jobs. The financial activities industry added 14,000 jobs in March.

### **First Quarter 2016**

Total nonfarm payroll employment, as reported by the Bureau of Labor Statistics, increased by 215,000 in March, up slightly from the past 3 month average of 209,000 per month. In March, employment in professional and business services increased by 20,000, construction increased by 37,000, health care rose by 37,000, food services and drinking places added 25,000, and retail trade rose by 48,000.

A new report from the National Federation of Independent Business (NFIB) states that the NFIB Small Business Optimism Index fell 0.3 points in March, decreasing to 92.6, a new two year low. The Index has turned decidedly "south," characterizing the performance of the small business sector. Historically accounting for about half of private GDP, below average growth for small businesses has not been offset by strong growth in large firms. Inventory increases remain unchanged and capital spending increased one point. The percent of owners planning capital outlays in the next 3 to 6 months rose 2 points to 25%, restoring the January reading. The average rate paid on short maturity loans fell ten basis points to 5.2%. Loan demand remains historically weak, as owners are unable to find many good reasons to borrow to invest when expectations for growth are not very positive.

The Standard and Poor's Information Technology Index increased 3.78% during the first quarter of 2016, versus a 8.7% increase in the fourth quarter of 2015. The Information Technology Index outperformed the S&P 500 index by 1.4% during the first quarter of 2016.

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### Selected M&A Transactions

Date: 3/31/2016

Sector: IT Services

Target: Skillbridge, Inc.

Buyer: **Toptal, LLC** 

Enterprise Value: -

Value/Revenue: -

Value/EBITDA: -

Toptal acquired Skillbridge, a provider of an online platform that enables organizations to hire independent business consulting professionals. Skillbridge was incorporated in 2013 and is based in New York. Terms of the transaction were not disclosed.

Date: 3/29/2016

Sector: Professional Staffing

Target: Ference Partners
Buyer: Industrial Search

ıyer: **industriai Sear**t **Partners LLC** 

Enterprise Value: -

Value/Revenue: -

Value/EBITDA: -

Industrial Search Partners acquired Ference Partners, a provider of executive search services. Ference Partners was incorporated in 2015 and is based in Leesburg, Virginia. Terms of the transaction were not disclosed.

Date: 3/24/2016

Sector: **Professional Staffing** 

Target: Charlson
Partners

Buyer: Focus Search
Partners. LLC

Enterprise Value: -

Value/Revenue: -

Value/EBITDA: -

Focus Search Partners acquired Charlson Partners, an executive search company for the recruitment of sales and marketing leaders in enterprise software and solutions. Focus Search Partners was founded in 2014 and is based in San Francisco, California. Terms of the transaction were not disclosed.

Date: 3/21/2016

Sector: IT Services

Target: Mangrove

Software, Inc.

Buyer: **Asure** 

Software, Inc. (NasdaqCM:ASUR)

Enterprise Value: \$18.4 MM

Value/Revenue: -

Value/ERITDA: -

Asure Software signed an agreement to acquire Mangrove Software, a provider of software as a service based human capital management applications and benefits administration services for mid-market and enterprise organizations in the U.S. Mangrove Software was founded in 1994 and is based in Tampa, Florida.

Date: 3/21/2016

Sector: Consulting Services

Target: IHS Inc.

(NYSE:IHS)

Buyer: **Markit Ltd.** 

(NasdaqGS:MRKT)

Enterprise Value:

\$10,278.2 MM

Value/Revenue: 4.6x

Value/EBITDA: **17.7**x

Markit signed a definitive agreement to acquire IHS, a provider of information, insights, and analytics to multinational companies, governments, small companies, and technical professionals in various industries worldwide. IHS operates through three segments: Resources, Transportation, and Consolidated Markets & Solutions (CMS). IHS was founded in 1959 and is headquartered in Englewood, Colorado.

Date: 3/21/2016

Sector: Marketing Services

Target: The Eastco Group

Buyer: Solidifi Inc.

Enterprise Value: **\$0.6 MM** 

Value/Revenue: -

Value/EBITDA: -

Solidifi acquired The Eastco Group, a provider of media content and marketing solutions. The Eastco Group was founded in 1985 and is based in Orchard Park, New York.

Date: 3/22/2016

Sector: Marketing Services

Target: Conversion Innovations, Inc.
Buyer: Propel Business Services, Inc.

Enterprise Value: \$11.8 MM

Value/Revenue: -

Value/EBITDA: -

Propel Business Services acquired Conversion Innovations, a provider of an online marketing platform that provides marketing tools and guidance to small business owners for managing and growing their businesses. Conversion Innovations was founded in 2005 and is based in Cambridge, Massachusetts.

Date: 3/17/2016

Sector: Consulting Services

Target: Validus Verification Services,

LLC

Buyer: Where Food Comes From, Inc.

(OTCPK:WFCF)

Enterprise Value: \$1.38 MM

Value/Revenue: -

Value/EBITDA: -

Where Food Comes From acquired the remaining 40% stake in Validus Verification Services, a provider of audit assessment and certification services for animal welfare and food industries. Validus Verification Services was founded in 2013 and is based in Urbandale. Iowa.

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Date: 3/15/2016

Sector: Consulting Services

Target: **New Paradigm Resources Group,** 

Inc. Buyer: magicJack

VocalTec Ltd. (NasdaqGM:CALL)

Enterprise Value: \$42.2 MM Value/Revenue: 3.25x

Value/FRITDA: **9.17**x

magicJack entered into an agreement to acquire substantially all of the assets of New Paradigm Resources, a telecommunications research and consulting company. New Paradigm Resources was founded in 1993 and is headquartered in Chicago, Illinois.

Date: 3/13/2016

Sector: Marketing Services

Target: Freedom

Communications, Orange County Register and Riverside Press-Enterprise

Buyer: **Digital First Media Inc.** 

Enterprise Value: \$52.3 MM

Value/Revenue: -

Value/EBITDA: -

Digital First Media agreed to acquire Orange County Register and the Riverside Press, in a stalking-horse bid. The deal was approved by the bankruptcy judge on March 21, 2016. The companies publish daily newspapers. The deal subsequently closed on April 1, 2016.

Date: 3/8/2016

Sector: Marketing Services

Target: Bamko Inc.

Buyer: **Superior Uniform Group Inc.** 

(NasdaqGM:SGC)

Enterprise Value: \$27 MM

Value/Revenue: **0.855x** 

Value/EBITDA: -

Superior Uniform Group acquired assets of Bamko, a provider of promotional items. Bamko was founded in 1999 and is based in Los Angeles, California.

Date: 3/7/2016

Sector: **Consulting Services** 

Target: FinTech

Acquisition Corp. (NasdaqCM:FNTC)

Buyer: CardConnect, LLC

Enterprise Value: -

Value/Revenue: -

Value/EBITDA: -

CardConnect entered into a definitive merger agreement to acquire FinTech in a reverse merger transaction. The merged company will apply to continue the listing of its common stock on the Nasdaq Stock Market under the ticker symbol "CCN". FinTech was founded in 2013 and is based in New York. Terms of the transaction were not disclosed.

Date: 3/7/2016

Sector: Marketing Services

Target: Clear Link

Technologies, LLC

Buyer: Sykes Enterprises, Incorporated (NasdaqGS:SYKE)

Enterprise Value: \$207 MM

Value/Revenue: **1.68x** 

Value/EBITDA: -

Sykes Enterprises signed an agreement to acquire Clear Link Technologies, a provider of marketing, sales, and technology services for various brands. Clear Link Technologies was founded in 2001 and is based in Salt Lake City, Utah. The deal subsequently closed on April 1, 2016.

Date: **3/3/2016** 

Sector: **IT Services** 

Target: **Quicken** 

Investment Services, Inc.

Buyer: H.I.G. Capital, LLC

Enterprise Value: -

Value/Revenue: -

Value/EBITDA: -

H.I.G. Middle Market fund and Eric
Dunn agreed to acquire Quicken
Investment Services, a provider of
software and services to manage
personal and small business
finances. Quicken was founded in
1984 and is based in Mountain View,
California. Terms of the transaction
were not disclosed.

Date: 3/8/2016

Sector: **IT Services** 

Target: LoudCloud Systems, Inc.
Buyer: Barnes & Noble Education, Inc.

(NYSE:BNED)

Enterprise Value: \$0.02 MM

Value/Revenue: -

Value/EBITDA: -

Barnes & Noble Education acquired substantially all of the assets of LoudCloud Systems, a provider of learning management systems for higher education and K12 markets in the U.S. and internationally. LoudCloud systems was founded in 2010 and is based in Dallas, Texas. Date: 2/29/2016

Sector: Consulting Services

Target: Firm Solutions, LLC
Buyer: ARMA Acquisition, LLC

Enterprise Value: Value/Revenue: -

Value/FRITDA: -

ARMA Acquisition acquired Firm Solutions, a provider of consulting and business process outsourcing services, and specialized products for the default industry. Firm Solutions is based in Tampa, Florida. Terms of the transaction were not disclosed.

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Date: 2/24/2016

Sector: **IT Services** 

Target: Xamarin Inc.

Buyer: Microsoft

Corporation (NasdaqGS:MSFT)

Enterprise Value: -Value/Revenue: -

Value/EBITDA: -

Microsoft signed a definitive agreement to acquire Xamarin, a developer of software solutions for mobile application development and creation. Xamarin was founded in 2011 and is based in San Francisco, California. Terms of the transaction were not disclosed.

Date: 2/23/2016

Sector: Marketing Services

Target: **J. Claire** 

Adventures, Inc.

Buyer: **Link Media Wisconsin. LLC** 

Enterprise Value: \$6.95 MM

Value/Revenue: -

Value/EBITDA: -

Link Media Wisconsin acquired substantially all of the assets of J. Claire Adventures (formerly known as Jag, Inc.), a provider of outdoor advertising services. J. Claire Adventures was founded in 1946 and is based in Algoma, Wisconsin. Date: 2/22/2016

Sector: Professional Staffing

Target: Charleston
Partners

Buyer: **Odgers Berndtson,** LLC

Enterprise Value: -

Value/Revenue: -

Value/EBITDA: -

Odgers Berndtson acquired
Charleston Partners, an executive
search firm that recruits human
resource professionals worldwide.
Charleston Partners is based in
Rumson, New Jersey. Terms of the
transaction were not disclosed.

Date: 2/17/2016

Sector: Marketing Services

Target: **Stagnito Partners, LLC & Edgell** 

Communications, Inc.

Buyer: **RFE Investment Partners** 

Enterprise Value: -

Value/Revenue: -

Value/EBITDA: -

RFE Investment Partners acquired Stagnito Partners and Edgell Communications.
Stagnito Partners is a provider of publication and digital information for food, gourmet, and convenience store retailers.
Edgell Communications provides online content in print and in person to connect executives with solution and service providers. Stagnito Partners was founded in 1990 and is based in Deerfield, Illinois.
Edgell Communications was founded in 1985 and is based in Randolph, New Jersey. Terms of the transaction were not disclosed.

Date: 2/15/2016

Sector: **IT Services** 

Target: Diligent

Corporation

Buyer: Insight Venture
Partners

Enterprise Value:

\$434.3 MM

Value/Revenue: 4.4x

Value/EBITDA: **26.2**x

Insight Venture Partners signed a definitive agreement to acquire Diligent, a developer of Diligent Boards, an online software application that allows board members, management, and administrative staff to produce, deliver, review, and vote on board materials. Diligent was founded in 2007 and is headquartered in New York. This deal subsequently closed on April 14, 2016.

Date: 2/11/2016

Sector: Marketing Services

Target: Yodle, Inc.

Buyer: **Web.com** 

Group, Inc. (NasdagGS:WEB)

Enterprise Value:

\$342.0 MM

Value/Revenue: **1.64x** 

Value/EBITDA: -

Web.com Group entered into a definitive agreement to acquire Yodle, a provider of online marketing services to local business owners. Yodle was founded in 2005 and is headquartered in New York.

Date: 2/18/2016

Sector: Professional Staffing

Target: Atlantic Associates, Inc.

Buyer: Poch Staffing, Inc.

Enterprise Value: Value/Revenue: -

Value/ERITDA: -

Poch Staffing acquired Atlantic Associates, an information technology and engineering staffing agency. Atlantic Associates will transition to the Trillium Technical brand. Atlantic Associates was founded in 1998 and is based in West Roxbury, Massachusetts. Terms of the transaction were not disclosed.

Date: **2/11/2016** 

Sector: IT Services

Target: Viant Technology Inc.
Buyer: Time Inc. (NYSE:TIME)

Enterprise Value: Value/Revenue: -

Value/FRITDA: -

Time entered into a series of agreements to acquire assets of Viant Technologies, a people-based advertising technology company that provides a cloud-based platform that enables marketers to plan, execute, and measure their digital media investments. Viant Technology was founded in 1999 and is based in Irvine, California. Terms of the transaction were not disclosed.

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Date: 2/10/2016

Sector: Consulting Services

Target: **Decision Strategies International, Inc.** 

Buyer: Heidrick &
Struggles
International Inc.
(NasdaqGS:HSII)

Enterprise Value: \$12 MM

Value/Revenue: -

Value/EBITDA: -

Value/EBITUA: —
Heidrick & Struggles entered into
an asset purchase agreement
to acquire Decision Strategies
International, a developer
of strategic plans, strategic
leadership capabilities, and learning
culture for organizations. Decision
Strategies International was
founded in 1990 and is based in
Conshohocken, Pennsylvania.

Date: 2/9/2016

Sector: **IT Services** 

Target: Digital Widget Factory Inc.

Buyer: Intelligent Content
Enterprises Inc.
(OTCPK:ICEI.F)

Enterprise Value: \$2.4 MM

Value/Revenue: -

Value/EBITDA: -

Intelligent Content acquired assets of Digital Widget Factory, a developer of content, Ecommerce, and revenue based websites. Date: 2/8/2016

Sector: IT Services

Target: Digital Footprints
International LLC

Buyer: Infoblox Inc.
(NYSE:BLOX)

Enterprise Value: \$45 MM

Value/Revenue: -Value/EBITDA: -

Infoblox entered into an agreement to acquire Digital Footprints, a provider of security solutions for detecting, diagnosing, and mitigating internet threats that include phishing, malware attacks, and domain name system hijacking for enterprises. Digital Footprints was founded in 1996 and is headquartered in Tacoma, Washington.

Nate: 2/1/2016

Sector: IT Services

Target: EarthLink Holdings
Corp., Select IT
Services Assets
Buyer: Synoptek, Inc.

Enterprise Value: **\$29 MM** 

Value/Revenue: **0.78x** 

Value/EBITDA: -

Synoptek acquired select IT services assets from EarthLink Holdings, a provider of information technology services. EarthLink Holdings is headquartered in Atlanta, Georgia. Date: **2/1/2016** 

Sector: **IT Services** 

Target: **Tapad, Inc.**Buyer: **Telenor ASA**(OB:TEL)

Enterprise Value: \$379 MM

Value/Revenue: -Value/FRITDA: -

Telenor entered into an agreement to acquire 95% stake in Tapad, a provider of marketing technology solutions. Tapad was incorporated in 2010 and is based in New York. Date: 1/28/2016

Sector: Marketing Services

Target: Marketplace Events LLC

Buyer: Sentinel Capital Partners, LLC

Enterprise Value: - Value/Revenue: -

Value/EBITDA: -

BB&T Capital Partners Mezzanine
Fund II, managed by Five Points
Capital and Sentinel Capital
Partners, acquired Marketplace
Events, a provider of consumer
shows in North America.
Marketplace Events was founded in
2008 and is based in Solon, Ohio.
Terms of the transaction were not
disclosed.

Date: 2/4/2016

Sector: **IT Services** 

Target: Connectifier, Inc.
Buyer: LinkedIn Corporation

(NYSE:LNKD)

Enterprise Value: -

Value/Revenue: -

Value/EBITDA: -

LinkedIn entered into a definitive agreement to acquire Connectifier, a provider of an online platform for discovering, qualifying, and connecting with candidates among various recruiting technologies. Connectifier was founded in 2012 and is based in Costa Mesa, California. Terms of the transaction were not disclosed.

Date: 1/28/2016

Sector: Marketing Services

Target: **Brew Media Relations**Buyer: **Freud Communications Ltd.** 

Enterprise Value: \$15 MM

Value/Revenue: -

Value/FRITDA: -

Freud Communications acquired Brew Media Relations, a provider of public relations services. Brew Media Relations was founded in 2005 and is based in New York.

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Date: 1/27/2016

Sector: IT Services

Target: Instantly, Inc.

Buyer: Survey Sampling International, LLC

Enterprise Value: Value/Revenue: Value/FRITDA: -

Survey Sampling International acquired Instantly, a provider of online and mobile audiences and insights technology tools for market researchers and brand mangers worldwide. Instantly is based in Encino, California. Terms of the transaction were not disclosed.

Date: 1/26/2016

Sector: IT Services

Target: **TransFirst Holdings Corp.** 

Buyer: Total System
Services, Inc.
(NYSE:TSS)

Enterprise Value:

\$3,413.3 MM

Value/Revenue: **2.3x**Value/FRITNA: **27.59x** 

Total System Services entered into a definitive agreement to acquire TransFirst, a provider of payment transaction processing services and payment enabling technologies to small and mediumsized merchants. TransFirst Holdings was founded in 2007 and is headquartered in Hauppauge, New York

Date: 1/26/2016

Sector: Professional Staffing

Target: Novotus, LLC

Buyer: Orion International
Consulting Group,
LLC

Enterprise Value: -

Value/Revenue: -

Value/EBITDA: -

Orion International Consulting
Group acquired Novotus, a provider
of recruitment process outsourcing
solutions in the U.S. Novotus was
founded in 2002 and is based
in Austin, Texas. Terms of the
transaction were not disclosed.

Date: 1/22/2016

Sector: Consulting Services

Target: Investor Analytics, LLC
Buyer: StatPro Group plc

(AIM:SOG)

Enterprise Value: \$16 MM

Value/Revenue: **3.2x** 

Value/EBITDA: -

StatPro Group acquired Investor
Analytics, a provider of portfolio and risk
management services to the investment
management industry. Investor Analytics
was founded in 1999 and is headquartered
in New York.

Date: 1/22/2016

Sector: Marketing Services

Target: Assets and Brands
of Images Division,
Motion Division
of Corbis and
Demotix

Buyer: **Unity Glory International Ltd.** 

Enterprise Value: \$100 MM

Value/Revenue: -

Value/EBITDA: -

Unity Glory acquired assets and brands of Images Division, Motion Division and Demotix, providers of image archives and content licensing businesses. Date: 1/21/2016

Sector: IT Services

Target: **Ustream, Inc.** 

Buyer: International
Business Machines

Corporation (NYSE:IBM)

Enterprise Value: -

Value/Revenue: -

Value/EBITDA: -

International Business Machines acquired Ustream, a provider of a cloud-based end-to-end video solutions for media and enterprises. Ustream was founded in 2006 and is based in Mountain View, California. Terms of the transaction were not disclosed.

Date: 1/25/2016

Sector: **Professional Staffing** 

Target: **Bencks & Co. LLC**Buyer: **The Fahrenheit Group** 

Enterprise Value: -Value/Revenue: - Value/EBITDA: -

The Fahrenheit Group acquired Bencks & Co, a provider of executive recruitment services. Benck's & Co is based in Henrico, Virginia. Terms of the transaction were not disclosed.

Date: 1/19/2016

Sector: Consulting Services

Target: Canna-Cures R&D, LLC

Buyer: Acacia Diversified Holdings, Inc. (OTCPK:ACCA)

Enterprise Value: -

Value/Revenue: -

Value/EBITDA: -

Acacia Diversified entered into an agreement to acquire substantially all of the assets of Canna-Cures R&D, a provider of laboratory testing and certification services, RFID tracking technologies, and packaging and labeling services related to hemp products. Canna-Cures R&D was founded in 2014 and is based in Clearwater, Florida. Terms of the transaction were not disclosed.

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Date: 1/18/2016

Sector: **IT Services** 

Target: Magnet 360, LLC
Buyer: MindTree Limited
(BSE:532819)

Enterprise Value: \$50 MM

Value/Revenue: **2.0x** 

Value/EBITDA: -

MindTree Limited signed a definitive agreement to acquire Magnet 360, a provider of Salesforce multi-cloud implementation strategies and consulting services. Magnet 360 was founded in 2004 and is based in Minneapolis. Minnespota.

Date: 1/14/2016

Sector: **HR Services** 

Target: **Preferred Solutions, Inc.** 

Buyer: AccessPoint LLC

Enterprise Value: -

Value/Revenue: -

Value/EBITDA: -

AccessPoint acquired Preferred Solutions, a provider of staffing, training and go-live support services in the field of information technology in the U.S. Preferred Solutions was founded in 1993 and is based in Northville, Michigan. Terms of the transaction were not disclosed.

Date: 1/14/2016

Sector: **IT Services** 

Target: AdRev, Inc.

Buyer: **Zealot Networks, Inc.** 

Enterprise Value: -

Value/Revenue: -

Value/EBITDA: -

Zealot Networks acquired an unknown minority stake in AdRev, a provider of a multi-channel talent network that brings together YouTube creators from around the globe to share their knowledge for improving monetization, discovery, programming, audience growth, and production quality for YouTube content. AdRev was founded in 2011 and is based in Sherman Oaks, California. Terms of the transaction were not disclosed.

Date: 1/11/2016

Sector: **IT Services** 

Target: Vacation Technologies International, Inc.

Buyer: IBC Hotels LLC

Enterprise Value: \$1 MM

Value/Revenue: -

Value/EBITDA: -

IBC Hotels agreed to acquire Vacation Technologies, a provider of hotel marketing and representation that develops internet technology solutions for the hospitality industry. Vacation Technologies was founded in 1994 and is based in Dallas, Texas

Date: 1/11/2016

Sector: Marketing Services

Target: **Legendary Pictures. LLC** 

Buyer: **Dalian Wanda Group Co. Ltd.** 

Enterprise Value:

\$3,500 MM

Value/Revenue: -

Value/EBITDA: -

Dalian Wanda Group agreed to acquire Legendary Pictures, a media company that produces and distributes media content for television and digital platforms worldwide. Legendary Pictures was founded in 2000 and is based in Burhank California Date: 1/8/2016

Sector: HR Services

Target: **Maximum** 

Management Corporation

Buyer: Frazer Jones

Enterprise Value: -

Value/Revenue: -

Value/EBITDA: -

Frazer Jones acquired Maximum Management, a human resource placement service. Maximum Management was founded in 1985 and is based in New York. Terms of the transaction were not disclosed.

Date: 1/11/2016

Sector: Information Services

Target: Oil Price Information Service,

LLC

Buyer: IHS Inc. (NYSE:IHS)
Enterprise Value: \$650 MM

Value/Revenue: -

Value/EBITDA: -

IHS Global agreed to acquire Oil Price Information Service, a provider of real-time and historical spot, wholesale/rack, and retail fuel prices for refined products, renewable fuels, and natural gas and gas liquids industries. Oil Price Information Service was founded in 1977 and is based in Gaithersburg. Maryland.

Date: 1/7/2016

Sector: Professional Staffing

Target: Desert Personnel Service, Inc.

Buyer: AtWork Group

Enterprise Value: -Value/Revenue: - Value/EBITDA: -

AtWork Group acquired Desert Personnel, a provider of personnel placement, temporary staffing, temp-to-hire, direct hire, management recruiting, and search development services to companies across the Coachella valley. Desert Personnel was founded in 1975 and is based in Palm Desert, California. Terms of the transaction were not disclosed.

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Date: 1/7/2016

Sector: Marketing Services

Target: 5 non-strategic
outdoor American
markets from
Clear Channel
Outdoor Holdings,
Inc.

Buyer: Lamar Media Corp.

Enterprise Value:

#### \$458.5 MM

Value/Revenue: **5.99**x

Value/EBITDA: Lamar Media acquired five nonstrategic outdoor American
market segments from Clear
Channel Outdoor, a provider of
advertising services. The five
markets acquired are Reno, Nevada,
Seattle/Tacoma, Washington, Des
Moines, Iowa, Cleveland, Ohio, and
Memphis, Tennessee.

Date: 1/7/2016

Sector: **IT Services** 

Target: **Emotient, Inc.** 

Buyer: Apple Inc.

(NasdaqGS:AAPL)

Enterprise Value: -

Value/Revenue: -

Value/EBITDA: -

Apple acquired Emotient, a provider of facial expression recognition and analysis technologies. Emotient was founded in 2008 and is based in San Diego, California. Terms of the transaction were not disclosed.

Date: 1/6/2016

Sector: IT Services

Target: **TalentWise**, **Inc**.

Buyer: **Sterling** 

Infosystems, Inc.

Enterprise Value: -

Value/Revenue: -

Value/EBITDA: -

Sterling Infosystems agreed to acquire TalentWise, a developer of cloud-based screening and onboarding solutions. TalentWise was founded in 2006 and in headquartered in Bothell, Washington. Terms of the transaction were not disclosed.

Date: 1/5/2016

Sector: **IT Services** 

Target: AddThis

Buyer: Oracle Corporation

(NYSE:ORCL)

Enterprise Value: \$175 MM

Value/Revenue: -

Value/EBITDA: -

Oracle Corporation signed an agreement to acquire AddThis, a provider of a social sharing and analytics platform for sharing content online. AddThis was founded in 2004 and is based in McLean, Virginia.

Date: 1/5/2016

Sector: **IT Services** 

Target: Infogix, Inc.

Buyer: Thomas Bravo, LLC

Enterprise Value: - Value/Revenue: -

Value/EBITDA: -

Thomas Bravo acquired Infogix, a developer and provider of cloud-based enterprise data analysis platform solutions. Infogix was founded in 1982 and is based in Naperville, Illinois. Terms of the transaction were not disclosed.

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# Waluation Metrics by Sector

Ticker	Company Name	Stock Price	52 - Week		% of 52 Week High	Market Cap (\$mm)	Enterprise Value (\$mm)	Enterprise Value to:			P/E
			High	Low				LTM Revenue	LTM Ebitda	NTM Ebitda	
Busin	ess Process Outso	urcing <sup>1</sup>									
CVG	Convergys Corpo- ration	27.77	27.84	20.57	99.7%	2,682.2	2,806.1	1.0x	7.4x	7.2x	17.4x
EXLS	Exlservice Holdings, Inc.	51.80	52.92	32.83	97.9%	1,716.7	1,568.5	2.5x	15.8x	12.2x	34.3x
G	Genpact Limited	27.19	27.36	20.95	99.4%	5,724.7	6,073.5	2.5x	15.0x	13.4x	24.9x
IRM	Iron Mountain Incor- porated	33.91	38.49	23.64	88.1%	7,172.2	11,909.3	4.□x	13.3x	12.5x	58.0x
PRGX	PRGX Global, Inc.	4.72	4.99	3.04	94.6%	105.0	89.8	0.6x	7.0x	4.8x	79.3x
PRSC	Providence Service Corp.	51.07	56.92	39.00	89.7%	759.2	1,055.4	0.6x	10.8x	8.7x	NM
SRT	StarTek, Inc.	4.20	8.51	2.86	49.4%	65.9	107.2	0.4x	24.2x	7.1x	NM
ZAKE	Sykes Enterprises, Incorporated	30.18	33.00	22.48	91.5%	1,281.4	1,116.1	0.9x	7.3x	6.9x	18.6x
TTEC	TeleTech Holdings Inc.	27.76	30.75	24.15	90.3%	1,342.0	1,393.7	1.1x	8.5x	8.1x	22.0x
ZNW	WNS (Haldings) Ltd.	30.64	34.37	23.28	89.1%	1,569.6	1,420.5	2.6x	14.9x	12.6x	27.9x
							Mean	1.6x	11.1x	9.4x	24.2x

<sup>[1]</sup> SRT is excluded from mean EV / LTM EBITDA calculation. IRM and PRGX are excluded from the mean P/E multiple calculation.

Ticker	Company Name	Stock Price	52 - Week		% of 52 Week High	Market Cap (\$mm)	Enterprise Value (\$mm) Enterprise Value to:		e to:	P/E				
			High	Low				LTM Revenue	LTM Ebitda	NTM Ebitda				
HR Se	HR Services													
JOBS	51job Inc.	31.02	37.77	22.23	82.1%	1,828.8	1,238.4	3.9x	12.9x	10.4x	19.3x			
ADP	Automatic Data Processing, Inc.	89.71	90.67	64.29	98.9%	41,037.9	40,210.9	3.6x	17.2x	15.3x	29.4x			
BBSI	Barrett Business Services Inc.	28.75	53.00	22.55	54.2%	207.1	220.0	0.3x	5.6x	NM	9.7x			
DHX	DHI Group, Inc.	8.07	10.48	7.05	77.0%	422.9	489.9	1.9x	7.6x	7.0x	NM			
NSP	Insperity, Inc.	51.73	55.11	41.77	93.9%	1,099.7	820.2	0.3x	8.9x	5.8x	32.7x			
MWW	Monster Worldwide, Inc.	3.26	8.23	2.43	39.6%	293.1	324.4	0.5x	3.4x	3.3x	32.6x			
PAYX	Paychex, Inc.	54.01	54.78	41.59	98.6%	19,450.1	19,122.9	6.6x	15.5x	14.4x	26.5x			
			Mean	2.4x	10.2x	9.4x	25.0x							

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Ticker	Company Name	Stock Price	52 -	Week	% of 52 Week High	Market Cap (\$mm)	Enterprise Value (\$mm)	Enter	prise Valu	e to:	P/E
			High	Low				LTM Revenue	LTM Ebitda	NTM Ebitda	
Inform	nation Services <sup>2</sup>										
ABCO	The Advisory Board Company	32.25	60.38	18.87	53.4%	1,341.0	1,822.1	2.4x	18.5x	9.7x	NM
SCOR	comScore, Inc.	30.04	65.00	26.21	46.2%	1,702.3	1,588.4	4.3x	42.8x	12.7x	NM
CPRT	Copart, Inc.	40.77	41.80	32.26	97.5%	4,566.3	5,083.1	4.4x	12.7x	11.7x	23.0x
CEB	CEB Inc.	64.73	91.57	49.27	70.7%	2,113.2	2,561.2	2.8x	12.3x	10.6x	23.5x
CSGP	CoStar Group Inc.	188.17	223.49	146.53	84.2%	6,118.1	6,051.4	8.5x	66.2x	26.2x	NM
DNB	The Dun & Bradstreet Corporation	103.08	134.92	85.99	76.4%	3,733.6	5,203.5	3.2x	12.1x	10.3x	18.4x
EFX	Equifax Inc.	114.29	114.67	90.94	99.7%	13,567.0	14,708.4	5.5x	16.1x	13.6x	32.2x
FDS	FactSet Research Systems Inc.	151.53	177.28	135.95	85.5%	6,212.7	6,314.6	5.9x	16.7x	14.7x	25.3x
FICO	Fair Isaac Corpora- tion	106.09	106.64	77.57	99.5%	3,328.9	3,857.1	4.5x	19.8x	18.5x	37.7x
FORR	Forrester Research Inc.	33.61	37.74	27.05	89.1%	597.7	496.6	1.6x	15.4x	13.1x	50.9x
IT	Gartner Inc.	89.35	94.82	77.80	94.2%	7,357.1	7,814.2	3.6x	22.1x	17.1x	43.4x
IHS	IHS Inc.	124.16	135.17	92.59	91.9%	8,371.6	11,309.3	5.1x	19.5x	14.3x	44.5x
INWK	InnerWorkings Inc.	7.95	8.69	5.95	91.5%	422.1	490.6	0.5x	13.9x	8.2x	NM
LQDT	Liquidity Services, Inc.	5.18	11.00	4.42	47.1%	158.5	73.1	0.2x	NM	NM	NM
MORN	Morningstar Inc.	88.27	88.66	71.89	99.6%	3,787.8	3,574.5	4.5x	13.9x	13.7x	29.4x
RBA	Ritchie Bros. Auction- eers Incorporated	27.08	30.85	21.03	87.8%	2,865.4	2,794.5	5.4x	13.8x	13.0x	21.3x
							Mean	3.6x	15.9x	12.9x	31.8x

<sup>[2]</sup> SCOR is excluded from mean EV / LTM EBITDA calculation. CSGP is excluded from all mean calculations.

Ticker	Company Name	Stock Price	52 - Week		% of 52 Week High	Market Cap (\$mm)	Enterprise Value (\$mm)	Enterprise Value to:			P/E
			High	Low				LTM Revenue	LTM EBITDA	NTM Ebitda	
IT Con	sulting										
ACN	Accenture plc	115.40	116.51	88.43	99.0%	71,985.5	69,538.5	2.2x	13.2x	12.4x	20.1x
CBR	Ciber, Inc.	2.11	4.15	1.78	50.8%	169.3	182.1	0.2x	8.6x	6.2x	52.8x
CTSH	Cognizant Technology Solutions Corpora- tion	62.70	69.80	51.22	89.8%	38,191.8	34,529.8	2.8x	14.0x	12.0x	23.7x
CTG	Computer Task Group Inc.	5.11	8.41	4.70	60.7%	97.3	87.7	0.2x	6.1x	10.5x	12.5x
TZD	DST Systems Inc.	112.77	134.65	95.54	83.8%	3,815.0	4,302.6	1.5x	9.5x	9.2x	11.5x
PRFT	Perficient Inc.	21.72	21.92	14.90	99.1%	781.2	828.3	1.8x	15.0x	9.7x	32.4x
SNX	SYNNEX Corp.	92.59	102.83	70.14	90.0%	3,674.4	3,926.9	0.3x	8.4x	8.0x	17.7x
SYNT	Syntel, Inc.	49.93	52.90	41.07	94.4%	4,191.5	3,280.9	3.4x	11.7x	10.6x	16.6x
							Mean	1.6x	10.8x	9.8x	23.4x

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<sup>\*</sup> Please see additional information in the "Notes" section at the end of this report.



Ticker	Company Name	Stock Price	52 -	Week	% of 52 Week High	Market Cap (\$mm)	Enterprise Value (\$mm)	Enterprise Value to:			P/E
			High	Low				LTM Revenue	LTM EBITDA	NTM Ebitda	
Profe:	ssional Staffing <sup>3</sup>										
SWX- :ADEN	Adecco S.A.	62.65	83.95	52.75	74.6%	10,930.5	12,066.9	0.5x	9.2x	8.5x	NM
ZHA	AMN Healthcare Services Inc.	33.61	37.47	21.24	89.7%	1,613.0	1,822.1	1.2x	11.8x	8.4x	20.0x
CDI	CDI Corp.	6.28	14.70	4.31	42.7%	123.7	125.6	0.1x	12.0x	NM	NM
CCRN	Cross Country Healthcare, Inc.	11.63	18.76	9.72	62.0%	379.3	467.2	0.6x	13.3x	10.0x	83.1x
KELY.A	Kelly Services, Inc.	19.12	19.73	13.47	96.9%	721.9	735.2	0.1x	8.3x	5.0x	13.8x
KFRC	Kforce Inc.	19.58	29.33	14.87	66.8%	531.4	614.3	0.5x	7.5x	7.0x	12.9x
MAN	ManpowerGroup Inc.	81.42	96.87	69.66	84.1%	5,877.6	6,070.0	0.3x	7.7x	7.4x	15.1x
ASGN	On Assignment Inc.	36.92	51.00	29.34	72.4%	1,964.2	2,695.8	1.3x	12.3x	9.1x	27.3x
ENX- Tam:Rand	Randstad Holding NV	48.71	64.99	41.33	74.9%	8,871.2	9,343.5	0.5x	10.7x	8.8x	17.6x
RCMT	RCM Technologies Inc.	5.31	6.76	4.16	78.6%	66.2	86.3	0.5x	9.3x	0.0x	11.3x
RECN	Resources Connection, Inc.	15.56	18.71	13.37	83.2%	577.8	467.7	0.8x	8.2x	7.7x	19.7x
RHI	Robert Half Interna- tional Inc.	46.58	60.28	36.17	77.3%	6,014.0	5,790.6	1.1x	9.1x	8.3x	17.3x
STAF	Staffing 360 Solu- tions, Inc.	3.90	10.24	1.80	38.1%	19.2	47.1	0.3x	NM	11.3x	NM
TBI	TrueBlue, Inc.	26.15	31.50	20.03	83.0%	1,077.1	1,292.9	0.5x	8.9x	7.1x	15.3x
				•	-		Mean	0.6x	9.9x	8.2x	17.0x

VVI	Viad Corp	29.16	32.89	25.01	88.7%	588.3	673.5	0.6x	8.3x	6.0x	21.8x
							Mean	0.9x	8.0x	7.1x	21.8x
Speci	alty Consulting										
CBZ	CBIZ, Inc.	10.09	11.54	8.65	87.4%	534.3	740.0	1.0x	8.8x	7.7x	15.3x
CRAI	CRA International Inc.	19.64	32.23	16.25	60.9%	175.3	136.6	0.4x	5.8x	2.7x	23.7x
EXPO	Exponent Inc.	51.01	54.73	40.58	93.2%	1,312.0	1,140.4	3.9x	15.3x	14.□x	31.9x
FCN	FTI Consulting, Inc.	35.51	45.98	29.91	77.2%	1,436.3	1,781.3	1.0x	8.9x	8.9x	22.5x
HURN	Huron Consulting Group Inc.	58.19	78.13	43.35	74.5%	1,212.6	1,466.4	2.1x	9.4x	10.3x	21.2x
ZMM	MAXIMUS, Inc.	52.64	70.00	45.15	75.2%	3,416.0	3,614.0	1.7x	12.4x	9.8x	24.8x
NCI	Navigant Consulting Inc.	15.81	17.95	12.99	88.1%	749.6	914.4	1.1x	7.6x	6.7x	12.9x
HCKT	The Hackett Group, Inc.	15.12	20.02	8.66	75.5%	456.0	432.5	1.8x	15.6x	10.4x	35.2x
							Mean	1.6x	10.5x	8.8x	23.4x
										,	
OVER	ALL BUSINESS SER	VICES SE	CTOR				Mean	1.8x	10.9x	9.4x	23.8x

% of 52

Week

High

91.5%

32.0%

52 - Week

15.78

2.50

High

23.42

7.90

Stock

Price

21.44

2.53

Company Name

Acxiom Corporation

Harte-Hanks Inc.

**Marketing Services** 

Market

Сар

(\$mm)

1,666.4

155.0

Enterprise

Value

(\$mm)

1,681.0

214.7

Enterprise Value to:

9.9x

5.9x

1.6x

0.4x

P/E

NM

10.5x

4.8<sub>X</sub>

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<sup>[3]</sup> RCMT is excluded from the EV / NTM EBITDA calculation. CCRN is excluded from the P/E calculation.

<sup>\*</sup> Please see additional information in the "Notes" section at the end of this report.





#### **Notes**

- Sources: Capital IQ, Bloomberg, company 10-K, 10-Q and 8-K SEC filings, annual reports, press releases, Bureau of Labor Statistics and others as indicated.
- Any public companies chosen for the "SCA Business Services Universe" are companies commonly used for industry information to show performance within a sector. They do not include all public companies that could be categorized within the sector and were not created as benchmarks; they do not imply benchmarking and do not constitute recommendations for a particular security and/or sector. The charts and graphs used in this report have been compiled by SOLIC Capital Advisors solely for purposes of illustration.

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<sup>\*</sup> Includes transactions led by the team of SOLIC professionals at predecessor firms

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